

NEXUS BANKRUPTCY

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UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA

RIVERSIDE DIVISION

In re:

GLADYS GRACE LIAD VILLACORTA,

Debtor.

Case No:

Chapter 13

**DECLARATION OF GLADYS GRACE
VILLACORTA REGARDING
PRESUMPTION OF ABUSE**

I, Gladys Villacorta, declare as follows:

1. I am the Debtor in this bankruptcy case. I have personal knowledge of all matters stated herein. On all matters stated on information and belief, I believe those allegations to be true. I could competently testify to the allegations contained herein.
2. My family consists of my husband, Calvin, our 7-year-old son, Mugen, and myself. We have been facing significant financial hardship despite our best efforts to manage our finances responsibly. We have consistently adhered to a reasonable budget, cutting back on all non-essential expenses to make ends meet. Prior to filing bankruptcy, we struggled to make minimum payments on our debts. It is our hope that I obtain a discharge of my debts so that we can move on to the next and more fulfilling chapter of our lives.
3. For the reasons below, I believe that Chapter 7 is our only option, and that Chapter 13 would just set us up for failure or require that my family continue to suffer in order to pay our creditors.


- 1 4. My husband and I have carefully reviewed Schedules I and J and believe that this is an
2 accurate representation of our actual income and expense budget. First, in December, my
3 husband, Calvin, took on a one-time freelance assignment that provided us with a
4 temporary increase in income, and an artificial inflation of our income on the Means Test
5 of \$2,454.18 per month, or \$29,450.16 per year. This income will not be repeated, and
6 therefore, it has been omitted from Schedule I in order to give a more accurate
7 representation of our income. Additionally, this budget does not account for incidental
8 expenses that are not specifically categorized on Schedule J, such as gifts for birthdays
9 and holidays, and contributing school supplies to our child's classroom. Even if we were
10 to reduce some expenses or eliminate discretionary expenses, such as extracurricular
11 activities, we would still not have any money left over. These incidental expenses, while
12 not large individually, accumulate and are necessary for maintaining the stability and
13 well-being of our family.
- 14 5. Our transportation expense on the original Schedule J was notably high due to our
15 reliance on very old, borrowed vehicles. Both of these vehicles are inefficient, consuming
16 large amounts of gas, and frequently require repairs, which are often costly. We had been
17 saving for the down payment of a new vehicle, which we are currently in the process of
18 purchasing. We had to use approximately \$10,000 from our savings for a down payment
19 in order to get a reasonable payment at a reasonable interest rate. Our new vehicle
20 payment is approximately \$600. Our new insurance quote from AAA indicates that our
21 insurance costs will increase from \$200 to approximately \$350 per month. We are hoping
22 to replace the other older vehicle with a newer, but still used, vehicle. We are estimating
23 that the payment will be approximately \$500 per month.
- 24 6. Although our son's extracurricular activities are not absolutely necessary, they are very
25 important for various aspects of his healthy upbringing, such as socializing and being
26 physically active. Imposing a Chapter 13 payment plan would severely impact our ability
27 to provide for his needs. The additional financial burden of paying creditors would limit
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our ability to provide a stable and safe living environment. We know this because this is what we had to do prior to filing bankruptcy, to no avail.

7. After covering essential expenses, we do not have any disposable income. Our current financial situation does not allow for any luxuries or non-essential spending. The expenses we incur are necessary for the basic functioning of our household and the well-being of our family. Despite our best efforts, our monthly income is usually insufficient to cover our essential expenses, and we still find ourselves having to impose restrictions on our budget even more so than shown on my Schedule J.
8. The relief that we are asking for is crucial for us to regain financial stability. Given our circumstances, we desperately need a fresh start. A Chapter 7 discharge will reset our financial situation and allow us to focus on providing a stable and healthy environment for our son and building our future. Without this relief, we will continue to struggle under the weight of insurmountable debt.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date: June 18, 2024



GLADYS VILLACORTA